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VIA ELECTRONIC POSTING

Comment List: 2013investmentpln-ws

Ms. Shelby Livingston, Manager
California Air Resources Board
1001 I Street,
Sacramento, CA 95814

Subject: Cap and Trade Investment Strategy to Maximize Benefit for all Californians

PARC appreciates the opportunity to comment on the development of the first Investment Plan for AB 32's Cap and Trade auction proceeds. PARC is well known for its 40-year contributions to the foundation of Silicon Valley and the computer revolution, including invention of the personal computer, graphical user interface, the Ethernet, and the laser printer. PARC believes that similar technological leaps can be made in the energy sector; leading to greenhouse gas (GHG) reductions throughout the entire California economy.

The innovations cited above did not happen by accident, but resulted from an intentional strategy to bring together three key elements:

- 1) Multi-disciplinary teams of world-class researchers spanning both physical and information sciences
- 2) Application of social sciences to understand how people use and adopt new technologies
- 3) Strong focus on business models and partnerships to effectively commercialize new technologies

California has the opportunity, and requirement, to use these auction proceeds to benefit all communities of this diverse state. PARC, as an institution that drives and commercializes innovation, urges CARB to consider ways to deploy these funds so that the three key elements listed above can be utilized to truly maximize the benefits of this investment for all Californians.

Achieving GHG reductions can be done in distinctly different ways. The most direct path is to directly spend the funds on specific one-time projects. Alternatively, California can invest in energy innovation and allow the resulting technologies to disseminate



throughout society. This idea of changing the way California produces and uses energy is fundamental to AB 32.

PARC achieved a similar goal when it successfully undertook the challenge of inventing the "Office of the Future". These innovations have ultimately resulted in the **democratization of information**, where access and dissemination of knowledge is unconstrained by economic, social, and political boundaries. Devoting Cap and Trade auction proceeds to a similar energy-focused goal could produce equally dramatic results.

For California to achieve its greenhouse gas mitigation goals, an equivalent revolution in how we generate, manage, and consume energy is required to achieve broad deployment and democratization of energy technologies.

PARC encourages the following balanced view to guide investment decisions:

- **Near-Term Investing:** Foster near-term deployment of currently available technologies by focusing on effective business models and the social dynamics of adoption to maximize immediate impact.
- **Mid-Term Investing:** Invest in the mid-term development of new technologies that enable clean power generation, transportation, and consumption in residential and commercial buildings.
- **Long-Term Investing:** Include dedicated funding for long-term exploration of more far-reaching and technologically advanced solutions. These solutions will require longer-term dedicated funding to commercialize and deploy.

PARC applauds California's vision and leadership in addressing the GHG challenge, and we look forward to partnering with CARB to contribute our scientific, social, and business skills to help make clean, affordable, and easy-to-use energy technologies available to everyone.

Respectfully submitted,



Dr. Stephen Hoover, CEO
PARC a Xerox Company